

DUTCH PUT HOPES IN ARMS PARLEY

Want Guarantees for Safety
of Colonial Possessions
in Far East.
ASSURED BY AMERICA

Present Defences Inade-
quate Unless Armament of
Neighbors Is Curtailed.

COST OTHERWISE TOO BIG

Estimate of New Indian Fleet
and Air Force 450,000,-
000 Guilders.

Special Correspondence to THE NEW YORK
HERALD.
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New York Herald Bureau, London, Oct. 2.

Information which has reached THE NEW YORK HERALD correspondent through further light on the reasons that have prompted the Netherlands Government to solicit an invitation to the Washington conference. Holland, it appears, is concerned about the safety of her East Indian possessions, realizing that in the event of any marked disturbance of the balance of power in the Pacific she would be in danger of losing the valuable colonies of Java and Sumatra, upon which, she believes, the Japanese imperialists have long been casting covetous eyes.

The defence of these islands is at present the dominating factor in Dutch naval and military policy. A fairly large military force is maintained there, about 40,000 strong, and since 1915 the system of conscription has been applied to European settlers. It is believed that mobilization would bring the East Indian colonial army up to a strength of 60,000 men. It has also been the custom for many years to station the best ships of the Dutch navy in those waters. However, the Dutch colonial fleet, made up as it is of a few small ironclads, some second rate cruisers and a handful of torpedo boats and submarines, is no longer in a position to ward off an attack in force.

Holland has therefore been faced with the necessity of financing a large programme of new warship construction, the cost of which would impose an intolerable strain on her resources. The committee of defence, which recently investigated the strategic conditions for the spot, has recommended the present naval and military defences to be quite inadequate, and has urged the creation of a new colonial fleet, to consist of four cruisers, twenty-four destroyers, thirty-two submarines, four submarine mine layers and a number of auxiliary ships. They further recommended the establishment of a large air fleet, including twenty-two airplanes for bombing work. The total cost of the naval and military programme is estimated at 455,000,000 guilders, and would be spread over twelve years.

The Dutch Government considers this sum prohibitive and has therefore been seeking about an alternative policy which would have the effect of rendering the East Indian colonies safe from aggression without reducing Holland herself to bankruptcy. Strong hopes are cherished at The Hague that in any agreement which may be reached at Washington between the United States, Japan and Britain the integrity of the Dutch possessions in Asia will be expressly guaranteed. If that were done the big naval programme now in contemplation would be dropped.

Assurances received from the American Government that Holland will be granted an opportunity of submitting her case to the conference have given great satisfaction in Dutch official circles, where so much importance is attached to the American promise that it has been decided to postpone further consideration of the colonial defence scheme until the issue of the conference is known.

**GUN INVENTED TO DRIVE
RIVETS UNDER WATER**
Expected to Be of Use in Re-
pairing Ship Plates.

Special Cable to THE NEW YORK HERALD.
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New York Herald Bureau, London, Oct. 2.

Robert Temple, British inventor, this week demonstrated in Caxton Hall his rivet gun for use under water or where pneumatic or other riveting tools cannot be used. It is an actual gun weighing fifteen pounds, independent of any other power plant. It fires an explosive cartridge with a bolt instead of a bullet with such force that a diver recently "shot" rivets into a five-eighth inch steel plate under water.

It is expected that the tool will prove of great value in salvage operations and in repairing ship plates at sea as well as in emergency work on bridges and other steel structures.

**TALKING IN THEATRES
IS LAID TO MOVIES**
But Manners at Plays Im-
prove, Says Lang.

Special Cable to THE NEW YORK HERALD.
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New York Herald Bureau, London, Oct. 2.

Matheson Lang says that despite the fact that more people talk during a play, a habit he ascribes to the movies, present theatre manners are better than previously. He is against any rule for excluding late comers from the theatre although at his own last production he enforced the rule seating people only during intervals.

"That was because of the almost sacred nature of many scenes," he said. "It won't do generally to enforce irritating little regulations on the people whom a late dinner or difficulty with a taxi may make late."

PAPAL BLESSING BESTOWED.
Archbishop Attends Cornerstone
Laying Ceremony.

Archbishop Patrick J. Hayes yesterday bestowed the Papal blessing on nearly 5,000 persons at the laying of the cornerstone of the Church of St. Simon Stock at 1324 street and 132nd avenue, The Bronx. Rev. Hilary Dowd of St. Cyril's College, Chicago, delivered a sermon before benediction. The musical programme was furnished by the St. Francis Xavier choir and members of the San Carlo Opera Company of Chicago.

The first mass in the new edifice will be celebrated in the basement next Sunday.

JAPAN NOW FIGHTING FOR REVIVAL OF TRADE

Continued from First Page.

cerns engaged in profiteering, but, according to popular belief, more than 10,000 men whose rating was confined to modest figures in 1914 entered the millionaire class. Because of the far from satisfactory enforcement of the income tax laws and the natural tendency of the beneficiaries to hide their winnings accurate information on this point is practically unobtainable. The exchanges are open again, but the volume of sales and aggregate values show little if any difference between transactions reflected in the daily operations on the New York and London Stock exchanges and on the Paris Bourse.

Rice in Gamblers' Hands.

Rice, the chief staple of food in the Mikado's empire and which until two years ago was protected by a prohibitive import tax, showed the greatest increase in price. The handling of the commodity has come into the hands of gamblers just as did the control of food products in other countries. The increase in the price of rice, which was made the center of the laboring classes could meet, finally resulted in several riots, in which the Government was compelled to employ the military.

The Mikado donated 10,000,000 yen to buy rice in foreign markets, from which the Government removed the tax. The rice gamblers made a stubborn effort to keep up the price, but were finally compelled to surrender. But even at that the price of rice today is nearly 30 per cent. higher than it was under pre-war conditions. Before 1913 Japan, despite her own demand, exported a good deal of rice. At the present time she is importing rice from China and other Asiatic countries, but the selling price to the people has, shown little if any increase because of the introduction of the foreign product.

The Tokio stock market furnishes further evidence of the post-war deflation, just as was the case in the United States and other countries. "Peace stock" was largely bought after the armistice and there was a boom in sugar, steel, cotton and other shares. Last September a movement that was generally hailed as a genuine boom set in. The securities of the steamship companies, the chemicals, fertilizers, leather, public utilities, private railways, oil, mining and iron and steel companies whose par value is 50 more than doubled in book value, and in the case of the Kanaguchi Cotton Spinning Company rose to 454.

The boom in the stock market continued for less than two months and then came a slump from which it has not yet recovered. A few of the more substantial securities have held some of the advantages gained during the September boom, but the majority of them have established new low records. One of the business enterprises which had developed tremendously and has held up since the war is the warehouse in which surplus stocks of rice, cotton, silk and other commodities are stored. There are seventy-five large warehouses in Tokyo, Yokohama, Osaka, Kobe, Nagoya, Kyoto, Mof-Shimonoseki, the aggregate total storage of which is 700 times greater than the available capacity ten years ago.

Prices of Farm Products.

According to figures furnished by the Bank of Japan the average price on 100 farm products in 1914 was 125.75 yen per koku (five bushels), as against 285.50 yen, the highest in their history. That which is true of agricultural products applies to industrial articles.

The chief imports of Japan, such as kerosene, manufactured iron products, lead, rails, automobiles and parts, machinery, raw cotton, flax, hemp, wool, coal and oil cake approximated in value the same average rate of increase as the domestic products. Despite the slump in business conditions Japanese credit has not suf-

fered as much as that in other countries. This fact is established by the slowly mounting volume of new business in special lines and is further indicated by the fact that the Japanese yen holds its own in the exchange market. During the last two or three months agents of German dye, drug and chemical companies have begun to appear in the field to give battle to the salesmen of American concerns, who won a substantial percentage of that class of trade from Germany during the war.

Apparently the Japanese hold no resentment against German business men seeking to regain the valuable market lost to them through the madness of their Kaiser. The American agents, however, have succeeded up to date in holding on to a good part of the dye business, which was built up under the auspices of the Chemical Foundation, employing the embargo and licensing system that makes German competition almost impossible.

The Japanese Government followed the example of the United States in aspiring to independence of German chemical and dye control, which enjoyed a monopoly before the war. It appropriated \$3,000,000 to encourage the study of elementary chemistry and assist in building up the dye industry at home. The experiment, however, has not proved a success, presumably due to the lack of creative ability. The dye trade with Japan is an important trade item. It is most extensively used in dyeing the cotton prints, which all classes of people wear, and to some extent, the silks, which it sends to foreign markets, though most of that trade is more profitably carried on in the countries to which the silk is sent. The Japanese cotton and silk manufacturers use on an average of \$10,000,000 worth of dyes from a year.

Railroads Reflect Depression.

The railroads of Japan, which, with few exceptions, are under direct Government control and operation, reflect the general depression noted in the producing and distributing agencies. More than one-half of the 48,000 freight cars engaged in transporting goods in Japan proper are laid up on passenger cars, and 2,352 locomotives are in operation. The Government has invested in these railroads 1,277,505,542 yen and private capital, to the extent of 29,200,000 yen, has financed railways devoted to feeding the Government lines.

All of the institutions in the five groups into which the banking system of Japan is divided also reflect the slump in business. The first and most important of these groups embraces the Bank of Japan, under the control of the Government, and the savings banks. The second group includes institutions like the Yokohama Specie Bank, the chief function of which is to provide exchange facilities to exporters and importers.

The next group is the Nippon Kogyo Ginko (Industrial Bank of Japan), which devotes itself chiefly to financing and the importation of foreign capital. The next group includes loan and discount banks and the last colonial banking. There are also 28,647 licensed pawnbrokers. Altogether there are 2,988 banks of recognized standing in the country, with 4,131 branches, with \$28,048,000 yen capital, with reserves approximating \$35,198,000 yen and deposits aggregating \$1,335,375,000 yen.

There are 24 savings banks in Tokyo, 18 in Osaka, 7 in Yokohama and 4 in Kobe. There are in addition deposits in postal savings and ordinary savings banks aggregating \$50,000,000 yen. The clearing house system of the empire showed a volume of 75,404,600 yen last year, a decrease of 14,000,000 yen from the previous period. The amount of coins and paper money in circulation is 2,086,602,000 yen. The actual amount of gold coins in circulation is \$9,554,392 yen and of silver 143,599,000 yen. The statements of all of the banks for the current period show a marked depreciation in both deposits

Read Seibold To-morrow.

ANOTHER article by Louis Seibold will be published in to-morrow's New York Herald. It will deal with labor in Japan, particularly its relation to the problems now confronting the empire and the situation that grew out of the world war. During the war labor in Japan was held down to the wages it had always received, but now it is demanding reforms and increased pay schedules. Mr. Seibold will tell of the growth of the labor movement in Japan.

and loans, which exhibit as accepted an accurate barometer of business.

Japan is one of the few countries in the world into which gold flowed during the war. At the end of 1915 the Government Bank of Japan held 297,000,000 yen in gold metal, while the domestic supply totaled 130,000,000 yen. The war increased the holdings in foreign gold to 1,600,000,000 yen and the domestic supply to about 800,000,000 yen. The domestic coins represented were almost entirely due to imports. As the balance of trade is on the credit side of the ledger, however, gold accumulations will necessarily be decreased.

JUGO-SLAVIA'S RULER IN MOTOR CAR CRASH

Has to Take Taxicab—Mystery of His Health Continues.

PARIS, Oct. 2.—Mystery continues to surround the health of the King of Yugoslavia. The King's motor was so badly damaged that he was forced to return in a taxicab to Versailles, where he is staying.

On Friday night, it was declared by the Journal, King Alexander was riding along the Champs Elysees in his automobile when the machine ran into a car owned but not occupied by Count Bonin-Longare, Italian Ambassador to France. The King's motor was so badly damaged that he was forced to return in a taxicab to Versailles, where he is staying.

AMBASSADOR COLLIER PLEASING TO CHILEANS

They Comment Favorably on His Public Speech.

SANTIAGO, Chile, Oct. 2.—The addresses exchanged by William M. Collier, the new American Ambassador to Chile, and the Chilean Minister of Foreign Affairs, Mr. Alessandri, when Mr. Collier presented his credentials on Thursday continue to be commented on by Chilean newspapers.

All speak most favorably of the impression the new diplomat made. They feature Mr. Collier's statement that North American investments in Chile total \$200,000,000, or a greater amount than the United States has invested in all the other South American states.

"Mr. Collier's address," declared La Nacion, "contained a comprehensive exposition of the aims of the new Administration of the United States. In it was found a sincere echo of sentiments held by Chileans."

BOURGEOIS DESERTIONS DISHEARTEN FASCISTI

General Strike Declared in All of South Italy.

LONDON, Oct. 2.—The local Fascisti organization at Florence, one of the most active in Italy, has issued a manifesto announcing its intention to quit the political struggle, according to a Florence despatch to the London Times. This action is taken because of "the indifference of the ungrateful bourgeoisie, which failed to display mourning and close shops after the recent Fascist losses at Modena."

Recent despatches from Rome reported fatal clashes at several cities, and added that the feeling caused by the assassination of Giuseppe Di Vagno, the Socialist Deputy, who died from wounds received at a Socialist meeting in Bari, continued high, and a general strike had been declared in virtually all of south Italy.

CRUSADE TO DISARM URGED BY DR. HIBBEN

Princeton's President Calls on
All University Students
to Organize.

CYNICAL ATTITUDE SEEN

He Believes if American Con-
science Is Awakened Con-
ference Will Be Fruitful.

Special Despatch to THE NEW YORK HERALD.
PRINCETON, Oct. 2.—With particular reference to the coming international conference at Washington to discuss limitation of armament, President John Grier Hibben of Princeton University appealed, in a sermon delivered this morning, to the young men of America to lead the fight for reduction of armaments and relief from the staggering burden of taxation.

President Hibben called upon the young men in all the universities to organize for the purpose of demanding armament reduction by all nations.

"If the conscience of America is to be awakened," Dr. Hibben said, "it will be by the united voice of the young men. They stand upon high vantage ground, with a wide-sweeping vision of the past and of the future."

Dr. Hibben pointed out that his present attitude of strongly favoring armament reduction was in no way inconsistent with his attitude during the war. "For at that time," he said, "the price of peace was war."

Effect Upon Future.

In the course of his sermon he said: "The conference at Washington to discuss the question of reduction of armaments by the great powers is big with possibilities both for the present and the future. The peace of the world hangs upon its decisions. The power of Christianity and the progress of civilization are at stake. And its decisions largely depend upon whether America takes a decided and insistent stand for reduction of armaments and is willing to lead the way. America's decision can be determined now as in the past if people speak and urge with importunate demand what they all desire but so far have only feebly expressed. Back of the conference, back of the American representatives there, the voice of public opinion should be heard with no uncertain sound."

"We find ourselves as a nation, and the same is true of Great Britain and of Japan, overburdened with taxation, with the high cost of living, with the burden of navy and army appropriations which sap the vitality of industrial life, drawing all our resources into channels which impoverish the pursuits of peace. The army appropriation for the present fiscal year, ending June 30, 1922, is \$1,027,750,000; for the navy \$697,500,000, making the total annual expenditure \$1,725,250,000.

"In comparison with this, Germany's indemnity debt annually is estimated

as between \$700,000,000 and \$800,000,000. Yet Germany has declared to the world that her payment of such an enormous sum each year is a crushing burden upon the nation's industrial enterprises and upon the nation's spirit as well. What is the logic of this? Is it not that the armament item in our national budget will prove a crushing burden to us also? Both Great Britain and Japan have expenditures comparable to ours and in each case far exceeding that of the indemnity debt of Germany. While Great Britain, Japan and America are under this crushing burden of ever increasing armaments Germany is prevented by force from armament expenditures, and therefore is placed by the concert of the Allies in a position of tremendous industrial advantage regarding the future.

Industrial Progress Retarded.

"The strained economic conditions such as we face at present not only retard industrial progress but have a very vital effect as well upon the intellectual, moral and spiritual life of the nation—a permanent obstacle to progress which is the flower and fruit of civilization and the cherished consummation of Christ's mission upon the earth. What would it mean at this particular period of our history if some small fraction even of the enormous appropriation for armaments could be diverted to the purpose of aiding education, to scientific research, to missionary enterprises of the church, hospitals and benevolent institutions of all kinds?"

"More than this, it is obvious that with the rapidly increasing competition of armaments there will be bred a natural suspicion among nations, one of another, secret diplomacy, the spirit of arrogance, national self-sufficiency and unfriendliness of attitude in international relations all leading inevitably to war. I may be wrong, but it seems to me that there is a general attitude of the American people toward this conference at Washington which expresses itself in a sort of cynical pessimism that the conference is inevitably destined to end in another chapter of diplomatic failure."

"There is hope, however, if the conscience of America is awakened. The one thing that will accomplish that is the united voice of the young men of our land—the men who would be the first to volunteer and do their part if war should ever come upon us."

FEDERATION SCHEME REVIVED IN MEXICO

Many Latin-American Diplo-
mats in Capital.

By the Associated Press.

MEXICO CITY, Oct. 2.—The presence of a number of Latin-American diplomats in Mexico City throughout September revived old rumors of a formal Latin-American Federation, embracing the republics of South and Central America and Mexico. For a number of years this has been a pet scheme of numerous Latin-American diplomats, and it was reported that such a union was the subject of frequent discussion among the various foreign representatives. So far as can be learned, however, nothing has been done in a direct way to bring this about.

A union of the Central American republics with Mexico, as suggested in a statement which the new Costa Rican Consul in Mexico City, Rafael Cardona Jimenez, gave out at Havana Thursday last, has elicited nothing but humorous comments here. Mexico, it is pointed out, is decreasing her obligations, rather than expanding them.

AUSTRALIA WARNED OF ASIATIC MENACE

Lord Northcliffe at Sydney
Says Commonwealth Must
Fight to Stay White.

FINDS PEOPLE 'ASLEEP'

Millions of Restless People
Threatening Near, He
Remarks.

LONDON, Oct. 2.—An urgent appeal to Australians to keep Australia a white country, and a strong warning that unless the immigration was encouraged the country was likely to be swamped by Asiatics, whether the Australians were willing or not, was issued by Lord Northcliffe at Sydney when he left there on Saturday for the Philippines. The appeal said:

Australia's magnitude and riches and the weakness of its garrison are known to all overworked and ambitious nations in the Near North. Governments of various circumstances may one day "take hostile to the Commonwealth probably know more about the possibilities of this country than the homes of millions of millions of people than is known by most Australians."

Australians seem not properly awake to the fact that they live in an age which has lately proved itself not distinguished by respect for international rights. To-day moral right to territory is in itself no right at all. Moral right must be based on capacity in arms, and, judged by this standard, Australia's present position and immediate future are precarious.

I am amazed at your indifference to events and portents in the outside world, especially in Asia. Within a fortnight's steam of your Commonwealth there are thousands of millions of people, all of whom are crowded and restless, and some of them ambitious and powerful; yet you continue your work and play as though that for territory had not all down the centuries been the cause of war and as though the history of the world had not been the story of the overthrow of the weak by the strong.

The Commonwealth may still be saved for the Anglo-Saxon race. You must increase your garrison by the multiplication of your people; only numbers will save you. The world will not tolerate an empty, idle Australia.

This continent, like other conti-

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nents, must carry its full quota of people, do its full share in production. Tens of millions of people will come here whether you wish it or not. You cannot hold up a human flood by a restriction clause in an act of Parliament. Acts of Parliament have little international force. Ambitions and passions are alive to this question.

Lord Northcliffe urged Australians to devise immigration a bond and constructive immigration policy and assured them that British investors would support the right sort of scheme, which would attract suitable emigrants from Great Britain.

TWO NEW ORLEANS DIOCESES.

Rome, Oct. 2.—New Orleans has been divided into two dioceses, one of which will have its seat in La Fayette in the Cathedral of St. John the Evangelist. Mr. Joseph Egan of Belleville, Ill., and the Rev. T. G. Villanova of Santiago are domestic prelates; Daniel McGinn and Dr. Bonaventura Fortunato of Belleville, John P. Dinan and Michael F. Dinan of Detroit and Orville St. Aubin of New York as Knights of St. Gregory the Great; John Lonergan of Philadelphia, secret cammer of the Sword and Mantle, and Mr. Andrew Lagoy Clair of Havana a secret cammerie supernumerary.

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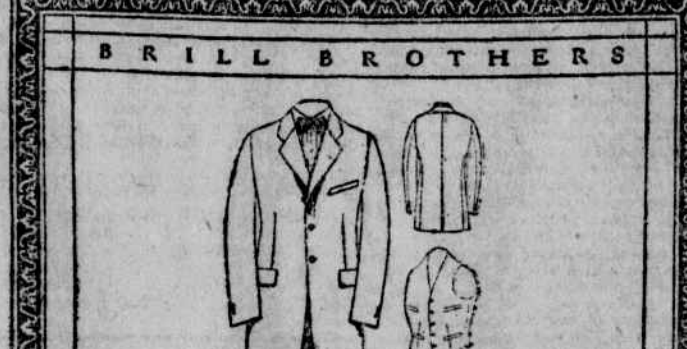
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